BUDGET 2001 HIGHLIGHTS — *Today's Families First*

Minister's message

It is my pleasure to present *Budget 2001* — a budget for today's families.

This is really a budget about choices: do we choose dramatic tax cuts at the expense of our crucial health and education programs? Or do we choose to protect these programs with a strong fiscal commitment?

While preparing this budget, I heard from British Columbians from all walks of life and their choices were clear. British Columbians want to protect our health and social programs and they want a balanced budget. So in *Budget 2001* we say 'yes' to health care and education, and we say a resounding 'no' to dramatic tax cuts.

Because of the choices we have made in this budget, hospitals will have more funding to hire nurses; and universities, colleges and institutes will have more resources to fund new spaces. Class sizes will remain small in K–3, more schools will be built and seismic upgrades will be made to schools, post-secondary institutions and hospitals. As well, tuition fees, which have been frozen for five straight years, will now be cut by five per cent. British Columbians have told us that these are their priorities. They're our government's priorities too. This budget is a significant step forward in meeting these priorities.

Honourable Paul Ramsey
Minister of Finance and Corporate Relations

Budget 2001 — Highlight Points

Financial House in Order

- The auditor general confirmed that B.C. balanced its budget in 1999/2000.
- The government projects balanced budgets for 2000/2001 and 2001/2002.
- B.C.'s debt will be reduced in 2000/2001 by $405 million.

Focus on Health Care

- 52 per cent of new program spending in *Budget 2001* is for health care, an increase of almost $1 billion to $9.23 billion.
- $1.6 billion has been committed over four years to build and renovate hospitals, build a cancer clinic in the Fraser Valley and more health facilities.
- $681 million, or two-thirds of the new spending increase, is being directed to fund regional programs, like cardiac care and more cancer treatments.
- $70 million in capital funding has been committed to purchase and replace vital diagnostic and treatment equipment.

Social Justice

- *Budget 2001* increases funds for Child Care B.C. by $45 million.
- Funding for people with disabilities increases by $60 million.
- *Budget 2001* invests $3.5 million on a school meal program for children in need.
- It provides $13.5 million in new funding for early childhood programs for Aboriginal children.

Focus on Education

- Budget 2001 devotes $169 million more toward funding B.C.'s public schools, the tenth straight year of increased funding.
- $505 million in capital funding is committed to building and improving B.C.'s public schools, colleges, universities and institutes.
- *Budget 2001* sets aside a $123 million fund over the next two years for seismic upgrading including B.C.'s schools and post-secondary institutions.
- It reduces post-secondary tuition by five per cent and increases funding to institutions by eight per cent, an extra $143 million.
- *Budget 2001* also creates more than 5,000 new student spaces in these institutions.

Quality of Life

- *Budget 2001* commits $1.4 million to improve rural community access to the Internet.
- It invests $10 million in capital funding to upgrade B.C.'s parks.

Financial House in Order

B.C.'s budget framework is now the most open, accountable and transparent in the country. Over the past year, the B.C. government has introduced the *Budget Transparency and Accountability Act* and the *Balanced Budget Act*. Last year the government's first priority was to put B.C's financial house in order. By opening the books, balancing the budget and promoting economic growth in the province, that foundation has been set.

A growing economy — balanced budgets

Our books are balanced, this year, last year and next year. B.C.'s auditor general confirmed that the books for fiscal 1999/2000 were balanced, with a moderate surplus of $52 million. Budgets for 2000/2001 and 20001/2002 are projected to be balanced as well.

For 2000/2001, revenues increased as energy prices rose and the economy gathered steam. Revenues will surpass forecast targets by $2.5 billion — 11.8 per cent over forecast.

Projections for the coming year remain positive, despite the slowing of the U.S. economy. The Economic Forecast Council predicts economic growth of 2.4 per cent for 2001. The government's forecast matches this prediction.

Expenditures

B.C.'s total expenditures are projected at $24.3 billion, an increase of $1,849 million from the 2000/2001 budget.

Debt Figures

British Columbia's debt is expected to fall by $405 million in 2000/2001.

Total projected taxpayer-supported debt was reduced to $24.5 billion compared to the budget forecast of $27.9 billion in fiscal 2000/2001. Projected total debt was reduced to $33.8 billion from the budget forecast of $36.5 billion — a reduction of $2.7 billion. Taxpayer-supported-debt-to-GDP ratio is forecast at 19.6 per cent for 2000/2001, one of the lowest in the country.

Budget 2001 provides the capital funding for schools, hospitals and post secondary institutions across the province.

As a result of this choice there is a projected increase in the provincial debt:

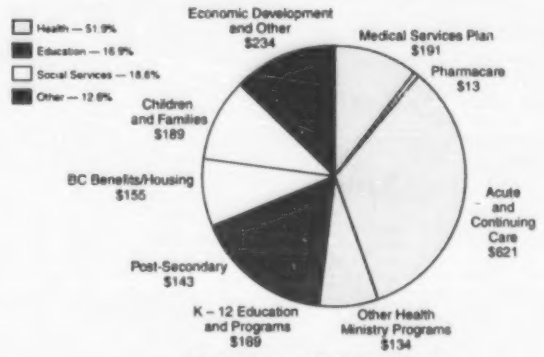
- taxpayer-supported debt is expected to increase by $1.2 billion to $25.7 billion in 2001/2002
- total debt is expected to increase by $850 million to $34.7 billion
- taxpayer-supported debt to GDP is forecast to be 19.7 per cent for 2001/2002

B.C. Economic Facts at a Glance — 2001 Forecast

- economy forecast to grow by 2.4 per cent in 2001 and 2.9 per cent in 2002
- retail sales to grow by 3.5 per cent
- unemployment rate forecast at 7.4 per cent
- housing starts to rise by 6.1 per cent

2001/02 Program Budget Increases*

Consolidated Revenue Fund ($ millions)

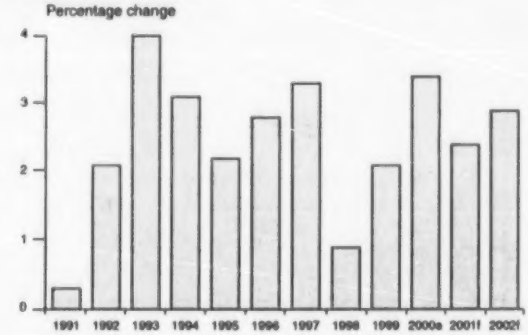


Total Increase: $1,849 million*

*Based on the 2000/01 restated budget estimate, excluding pension accounting policy changes (see Table C5).

BC Real GDP Growth

Percentage change



Sources: Statistics Canada & Ministry of Finance and Corporate Relations

Focus on Health Care

Health care is this government's highest priority. If government fails to invest here, it may open the back door to a U.S.-style health care system. In an effort to avoid this, *Budget 2001* increases spending to $9.23 billion — $959 million more than last year.

- This budget devotes 52 per cent of new program spending to meeting the needs of patients — funding doctors, nurses, hospitals and services.
- *Budget 2001* provides $1.6 billion in capital funding over four years for new and expanded hospitals, including a new cancer clinic in the Fraser Valley and more health facilities in communities throughout B.C.
- It provides $70 million in capital funding to purchase and replace diagnostic and treatment equipment.

Budget 2001 focuses on solving the nursing shortage.

- Building on the commitment in the last budget to fund 400 new post-secondary spaces for training nurses, this budget will invest $4.7 million to create 400 new training spaces for nurses.
- It will also add funding of $12 million to attract more nurses to B.C., while helping to further educate and retain nurses already in the system.

Funding for the health action plan, announced in *Budget 2001* will also add:

- $2.8 million for more intensive and critical care beds
- $8.9 million for transitional or flex beds in acute care.

Health care in British Columbia will get more support with:

- a 10 per cent increase in home support and nursing for the elderly and disabled — a $39 million increase
- a palliative home care funding increase of $2.9 million for the terminally ill.

Two-thirds of the new spending increase for health care this year is dedicated to regional programs. This funding will increase the number of acute and continuing care beds, home support services, the operation of new MRI and CT scanners, provide more cardiac care and renal dialysis and more cancer treatments in Victoria and the Fraser Valley.

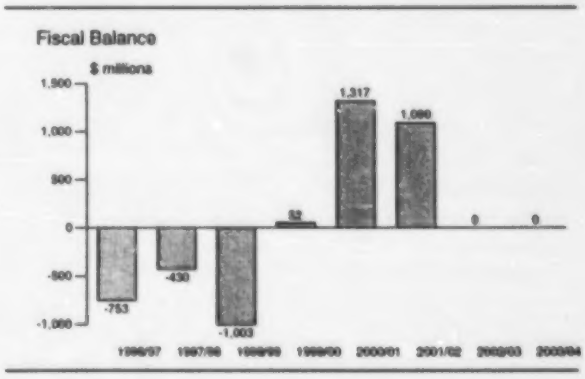
The province's mental health investment more than triples in *Budget 2001* providing an increase of $31.5 million to B.C.'s mental health plan.

Ensuring a fair and just B.C.

Government has a social responsibility and must address the needs of the least advantaged and the least fortunate. Last year's budget introduced a new approach to helping parents with safe and affordable before- and after-school child care.

Budget 2001:

- provides $45 million in additional funding for Child Care BC, giving more parents affordable and safe before-and after-school care, saving them up to $1,100 per child annually
- gives an additional $3.5 million for school meal programs for B.C.'s children in need
- provides an additional $13.5 million in funding for early childhood intervention initiatives to help aboriginal children get a strong start in life
- provides an additional $60 million for British Columbians with disabilities.



Focus on Education — B.C. The Education Province

The new natural resources are not trees or minerals, but knowledge, skills and ideas. And, the incubator for these is our education system. *Budget 2001* directs 28 per cent of total spending to funding teachers, schools, colleges, universities, and skilled trades and training opportunities. This year B.C.'s education funding will increase by $312 million.

Over the past 10 years B.C. has:

- cut class sizes in the early grades, giving young children the individual attention they need in those crucial early years
- hired nearly 4,000 new teachers over the last 10 years and replaced 658 portables with permanent classrooms since 1998.
- wired every public school and campus to the Internet through the Provincial Learning Network (PLNet)
- opened three new universities and created 40,000 new post-secondary spaces across B.C. (including 2,000 spaces for high technology).

Post-secondary students in British Columbia pay the second lowest tuition fees in all of Canada. B.C. students graduate with at least $7,000 less debt than the average Canadian student.

Budget 2001 provides:

- $505 million in capital funding for public schools and post-secondary institutions
- an increase of $312 million in operating funding for both the public school and post-secondary education systems.

Investing in our public school system

This year's budget invests in our young people, providing new funding of $169 million for our public school system.

Budget 2001:

- continues government's class size initiative, ensuring there will be no more than 20 students in kindergarten classes and no more than 22 in Grades 1 to 3
- provides funding to operate three more Career Technical Centres, allowing young people to kick-start their training or post-secondary training while getting their high school diploma
- provides capital funding to renovate, expand or build 22 schools, and further improve another 190
- provides $123 million over two years for seismic upgrading, including schools and post-secondary institutions.

Investing in B.C.'s resources, tomorrow's workers:

B.C.'s greatest natural resource is its skilled and knowledgeable work force. In *Budget 2001*, government has invested to create an environment where these resources can blossom and grow.

Budget 2001:

- reduces tuition for post-secondary school students by five per cent
- raises post-secondary funding by eight per cent, an increase of more than $143 million
- adds more than 5,000 new student spaces to our universities, colleges and institutes
- embarks on a plan to double the number of apprenticeship and skilled trades training spaces over the next four years to 50,000.

Budget 2001 also commits to other infrastructures including:

- a $1.4 million digital infrastructure initiative which improves Internet access to rural B.C. communities via the Provincial Learning Network (PLNet)
- a $10 million capital investment to upgrade trails, roads, beaches and campsites in B.C.'s parks.

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Budget 2001 Speech

Budget 2001

BUDGET SPEECH

Delivered in the
Legislative Assembly
March 15, 2001
by Honourable Paul Ramsey
Minister of Finance
and Corporate Relations

British Columbia Cataloguing in Publication Data

British Columbia.
Budget (1984)
Budget.—1984–

Annual.
Additional title: Province of British Columbia budget.
Delivered in the Legislative Assembly by the Minister of Finance, 1984–1986; by the Minister of Finance and Corporate Relations, 1987–
Continues: British Columbia. British Columbia budget (1984)
1. Budget—British Columbia—Periodicals. 2. British Columbia—Appropriations and expenditures—Periodicals. I. British Columbia. Ministry of Finance. II. British Columbia. Ministry of Finance and Corporate Relations. III. Title: Province of British Columbia budget.

HJ13.B732 354.7110072'252
Rev. Mar. 1987

Budget 2001

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Budget 2001

A Budget for Today's Families

Honourable Speaker, it is my pleasure to present to this House our government's balanced budget for the year 2001-2002: a budget for today's families.

In beginning this speech, I want to thank all members of this House for the opportunity to work with them over the years.

As I've prepared this budget, I've had the privilege of speaking with British Columbians from all walks of life. I've also read with care the report of the all-party committee of this Legislature which, for the first time, visited communities across the province.

This budget is about the choices our government has made — based on what we have heard and the values we share with British Columbians — choices about our future, choices about the kind of province we want to live in.

We believe in compassion and fairness, in the dignity and worth of every person, and in a strong and dynamic economy. These are the values that British Columbians want reflected in the decisions we make and the priorities we set.

Honourable Speaker, this budget finds B.C. at a crossroads. We face two clearly different approaches to governing and setting priorities.

One approach puts dramatic tax cuts ahead of everything else — including the needs of today's families. But the only way to achieve dramatic tax cuts with a balanced budget is by slashing health and education programs.

This government has a different approach. It's an approach that puts the needs of today's families first — with a balanced budget, a growing economy, and a focus on health care and education.

We understand that meeting the needs of today's families also meets the needs of today's economy. In this new economy, quality of life is a crucial competitive edge:

- A strong commitment to the environment helps secure international markets for our forest industry.
- Excellence in education means B.C. can offer the skills and talent that attract employers and investment to our province.

- A clean, green British Columbia ensures we remain a world-class destination, and a place where entrepreneurs and skilled workers want to live and raise families.
- Quality health care is a crucial part of economic stability for communities across our province. We need a healthy, productive workforce and low costs to industry for illness and injury.
- And helping the most vulnerable means we will make full use of our most valuable resource: the people of British Columbia.

Because of our choices in this budget, hospitals across British Columbia will have more funding to hire nurses — and colleges and universities will have more resources and student spaces to train them.

Children in Aboriginal communities will have a better start in life, with a new commitment to early childhood development services.

More kids across B.C. will have access to a school meal program in more schools.

Thousands of British Columbians will find the door open to new opportunities in post-secondary education, with the price of tuition — already frozen for five years — actually falling.

And finally, more of our parents will be able to live in the comfort of their own homes instead of institutions, because there will be more community care services across the province.

These are the results of the choices we've made. We can balance the budget and achieve these results. But we can only do so because we have put health, education and basic social justice first, and rejected dramatic tax cuts.

B.C.'s financial house is in order

This budget is built on a foundation that has grown stronger over the past year. The Premier said from the outset that he would change the way we do business — and get B.C.'s financial house in order.

His first direction to me was to introduce a new piece of legislation: the *Budget Transparency and Accountability Act*.

Soon after, I introduced the *Balanced Budget Act* — requiring us to balance the budget and keep it balanced.

With these two pieces of legislation, B.C. has the most open, accountable and transparent budget framework in Canada.

B.C. has the most open, accountable and transparent budget framework in Canada.

As one of B.C.'s leading political observers recently wrote, "When the government's financial reporting is this thorough, the numbers can be allowed to speak for themselves."

Which is why I can tell British Columbians with confidence — the budget is balanced: last year, this year, and next year.

The Auditor General has confirmed that we not only reduced the deficit in fiscal year 1999-2000. We eliminated it.

The reports I am tabling today for the current budget year confirm the trend we saw in our Second and Third Quarterly Reports for 2000-2001: we are on track to balance the budget again this year.

The estimates I am presenting today for the coming year are sound, and our key assumptions are clearly disclosed. We are projecting a balanced budget for the third year in a row.

We are projecting a balanced budget for the third year in a row.

Let's first look at last year's economic and fiscal results. The province we live in today is a strong one — moving forward and growing steadily.

That may come as a surprise to people who've heard so much negative commentary on B.C.'s economy. But the fact is, our economy performed well last year — and while we expect some modest slowing, it's poised to do well in the coming year, too.

British Columbia's economy started the new millennium on a positive note. Our economy grew by 3.4 per cent in the year 2000.

Our economy grew by 3.4 per cent in the year 2000.

Exports grew by 13 per cent last year.

Our retail sales grew by more than six per cent.

The unemployment rate last year was the lowest it's been in 20 years.

More British Columbians were working in the year 2000 than ever before.

And there were 43,000 more jobs in B.C. at the beginning of this year than there were at the beginning of last year. More British Columbians were working in the year 2000 than ever before in our history.

As our economy gathered steam, government's finances also improved. Over the past year, we saw revenues increase as the economy grew and energy prices rose. Revenues from our strengthening economy exceeded forecasts by $810 million; natural resource revenues — principally oil, natural gas, and electricity — added another $1.6 billion. All told, revenues will exceed our targets by $2.5 billion, or 11.8 per cent.

For 2000-2001, we are forecasting a surplus of $1.3 billion.

The result is that, for 2000-2001, we are forecasting a surplus of $1.3 billion — compared to the $1-billion deficit I projected in the last budget. B.C.'s fiscal turnaround has been very substantial.

As a result, our debt picture is also considerably healthier than I forecast at the beginning of the year. Taxpayer-supported debt will be $24.5 billion at the end of this fiscal year; that's $3.4 billion less than I forecast in Budget 2000. For total debt, the target was $36.5 billion; we beat that target by $2.7 billion, for a final figure of $33.8 billion

We will pay down B.C.'s debt by more than $400 million.

In fact, I can report to you that, at the end of the fiscal year, B.C.'s debt will be lower than it was at the start. We will pay down British Columbia's debt by more than $400 million.

I'm also pleased to report that B.C.'s taxpayer-supported-debt-to-GDP ratio remains very healthy at 19.6 per cent — the second lowest in the country. And B.C. taxpayers saved $114 million in interest payments in 2000-2001 — because of lower debt.

Looking ahead

Honourable Speaker, the province we live in today is a strong one — moving forward and growing steadily. The economy performed well last year — and while we expect some modest slowing, it's poised to do well in the coming year, too.

The strengths we saw last year, along with our diversified export economy, will help B.C. ride out a downturn from south of the border.

In January, I met the 16 independent economists of the Economic Forecast Council to discuss the coming year. Their average prediction for economic growth for 2001 is 2.4 per cent, and 2.9 per cent for 2002. And my forecast is consistent with those figures.

The prediction for economic growth for 2001 is 2.4 per cent, and 2.9 per cent for 2002.

As our economy grows, it's also changing. Newer sectors of our economy — knowledge-based sectors like high-tech and film — are taking on a greater and greater role, encouraged in part by our government's incentives and partnerships.

The value of film and TV production alone rose by 10 per cent last year. That's $100 million more injected into B.C.'s economy.

The high technology sector continues to show strong growth as well. High-tech employment doubled in the last 10 years, and now accounts for 52,000 jobs in B.C.

B.C. can also continue to look to our energy sector for economic strength. Our natural gas industry has made the most of the recent rise in export prices — helped in part by the new regulatory structure we introduced in 1998.

But we are taking nothing for granted. I want to assure British Columbians that we are watching the U.S. and Canadian economies carefully.

And partly because of recent developments in the U.S., I have built a prudence allowance of $300 million into my budget forecasts.

I have built a prudence allowance of $300 million into budget forecasts, so we can remain confident our choices are affordable.

That prudence is crucial. It means that British Columbians can remain confident that the choices we are making in this budget are affordable.

Honourable Speaker, we will maintain this same course of financial prudence in the coming year.

Government revenues are expected to total $24.6 billion, government spending $24.3 billion.

This positive balance of $300 million in direct government operations is offset by a projected combined net loss from Crown corporations for the coming year.

In addition, the budget reflects a positive one-time impact of pension change totalling $1.4 billion. I have also included a prudence allowance of $300 million in the budget plan.

I forecast a $1.1 billion summary accounts surplus for 2001-2002.

The net result is a forecast $1.1 billion summary accounts surplus for the 2001-2002 fiscal year.

We've chosen in this budget to fund the key priorities of today's families. And that includes not only services but also the facilities — the schools and hospitals, the post-secondary institutions and transportation networks — that are crucial to the success of B.C.

Total debt this year is projected to be $34.7 billion.

As a result of this choice, using the same cautious forecasting approach from last year, I am projecting an increase in the province's debt. Total debt is expected to increase by $850 million to $34.7 billion.

However, if we are able to repeat the performance of the year now ending, we may well beat those targets.

And once more, let me remind members: this third projected balanced budget has been developed in accordance with some of the strictest accounting and reporting practices in the country.

If, like last year, we beat our targets, then we will continue the balanced approach we've taken — looking to the needs of British Columbians, while keeping our finances in firm control.

Over the coming three years, we project government revenue to increase by approximately 2.5 per cent each year.

Over the coming three years, we project government revenue to increase by approximately 2.5 per cent each year. To balance the budget in each of those years, we must live within those amounts.

That means making some difficult choices and getting it right. We forecast that balanced budgets can continue beyond this fiscal year. Our fiscal framework includes balanced budgets through to 2003-2004.

When the Auditor General confirmed our balanced books for fiscal 1999-2000, the Premier said that this must not be a one-time event but the start of a trend. The trend is now clear, Honourable Speaker: the books are balanced — last year, this year, and next year.

Choices for today's families

Budgets aren't just about numbers. They're about people, and they're about choices — how we can improve the lives of British Columbians. The economy continues to grow. The books are balanced. Now is the time to focus on improving our key social programs — and to choose our quality of life as a competitive tool.

There are some — including my colleagues across the way — whose first priority would be to spend billions of dollars on dramatic tax cuts. It seems that for every issue that arises, for every problem that crops up, the members opposite can reply with only two words: "tax cuts."

They will tell you that they can do that without slashing services or running deficits because, they say, broad-based tax cuts pay for themselves.

Well, I hate to be the bearer of bad news for them, but it doesn't work that way!

Let me be clear. We believe in balanced budgets; we believe in strategic, targeted tax relief — and we've introduced many tax measures over the past few years — research and development tax credits for the high-tech sector; competitive credits for our film industry; a streamlined regulatory and royalty system for the oil and gas sector. Our taxes on small businesses — the entrepreneurs who create the majority of new jobs — remain the lowest in Canada.

Our taxes on small businesses remain the lowest in Canada.

And we've secured our position as having the second- or third-lowest overall taxes in Canada for most families.

B.C. has the second- or third-lowest overall taxes in Canada for most families.

However, when it comes to broad-based dramatic tax cuts, I've looked at the evidence, Honourable Speaker. I've looked at impartial economic studies on the impact of tax cuts. And the cold hard truth is, you can't have it all. Broad-based dramatic tax cuts will mean lower government revenues.

It's like anything else that sounds too good to be true. From pyramid schemes, to e-mail get-rich-quick promises, to tax cuts without consequences — if it sounds too good to be true, it probably is.

Even the economists advising the Leader of the Opposition acknowledge freely that dramatic tax cuts have a price. The Investment Dealers Association has called for dramatic tax cuts and a deficit; economist David Bond has called for dramatic tax cuts and deep service cuts to pay for them.

I'm grateful to them for laying out so clearly and so honestly — in some cases, at a serious personal cost — exactly what the effect of dramatic tax cuts would be.

We will balance the books, keep B.C. taxes among the lowest in Canada, and improve health care and expand education opportunities.

I want to tell B.C. families: our choices are very clear.

We won't run a deficit. We will balance the books.

We won't bring in broad-based dramatic tax cuts. We will keep B.C. taxes among the lowest in all of Canada.

We won't cut services. We will improve health care and expand education opportunities.

This is the way forward. Choices like these will ensure that the quality of life that we enjoy — and that's so important to our economic success — is maintained and improved for all British Columbians in the years to come.

Keeping quality education affordable and accessible

Honourable Speaker, last fall *Maclean's* magazine called B.C. Canada's education province.

This is the area of our government's achievements that makes me proudest.

I was an instructor in our college system before I entered politics. And when I leave politics, I'll be returning to the education system. But it's an education system that is immensely improved compared to the one I left.

When I return to Prince George, I may be teaching a course or two at a university that didn't even exist when I was first elected. I'll be in a community where young people no longer have to leave their homes and families to complete a degree.

I'll be working with students who are paying the second lowest tuition fees in all of Canada.

When this government was elected, it inherited an education system that had sat on the back burner for decades.

Our schools were underfunded. We had children jammed into more than 3,000 portables. Our colleges and universities had high tuition fees — and the second lowest participation rate in the country.

Today our public schools get more money per student than in any other province. Full-time university enrolment is growing at nearly 10 times the average national rate. And tuition fees have been frozen for five straight years — making them the second-lowest in Canada.

Our government came to office determined to make B.C. the education province — with both high quality and open access — and, Mr. Speaker, we've done it.

This budget devotes 28 per cent of total spending to meeting the needs of students — to funding teachers, schools, colleges, universities, and skilled trades and training opportunities in our publicly-funded education system.

This budget devotes 28 per cent of total spending to meeting the needs of students.

Next year, our government will increase funding to education in B.C. by $312 million.

We will also invest $505 million in capital funding to build and improve public schools, colleges, universities and institutes.

We will invest $505 million in capital funding to build and improve public schools, colleges, universities and institutes.

Why have we made education such a priority when other provinces have not? We have done so because education is the key to ensuring our daughters and sons can succeed and make good lives for themselves. And also because when we invest in education, we invest in our future. Education is simply the best economic investment a government can make.

As I said to our university presidents at UBC last September, our goal isn't just to teach facts and formulas. We have a larger, often unspoken goal of teaching young people how to think critically — how to think for themselves. Because only those who are capable of critical, independent thought are capable of moving us forward: as an economy, and as a society.

Today in B.C., we need those critical thinkers more than at any other time in our history. Here's why.

A strong resource sector will always be an important part of our economy and our identity as a province. But the world around us is changing. Technology advances so quickly that even our brightest innovators don't truly know where the future will take us.

One thing, however, is certain. Today our natural resources — the keys to our future prosperity in B.C. — are not just trees and minerals, but knowledge, skills and ideas.

And the place where these resources first develop — the incubator for innovation, for new technology, for the future itself — is our education system: our schools, universities, colleges, institutes, and training network.

That's why we've made a concerted effort to drive up the quality of education from kindergarten to the post-secondary level.

Honourable Speaker, in British Columbia over the past nine years, we've built new schools at a rate of one every 19 days. We're now educating more than 600,000 students in over 1,700 schools.

We've cut class sizes in the early grades to give young children the individual attention they need in those crucial years.

We've hired nearly 4,000 new teachers over the last 10 years — and replaced 658 portables with permanent classrooms since 1998.

We've created six new Career Technical Centres, allowing young people to kick-start their training and access up to one year of tuition free in a trade or technology field, while working toward their high school diplomas.

We've wired every public school and every campus in this province to the Internet — and connected many remote communities for the first time as well.

We've opened three new universities and created 40,000 new post-secondary spaces across B.C. — including 2,000 spaces earmarked for high technology.

And we've done something no other province has done: frozen college and university tuition fees for the last five years. And today a B.C. student graduates with at least $7,000 less debt than the average Canadian student.

That means a lot to students from families that aren't well-off, who are struggling to pay the bills and get ahead. That means real opportunities and open doors for everyone.

But we haven't opened those doors at the expense of quality. The latest *Maclean's* survey of universities ranks B.C.'s institutions at or near the top of the country.

We refuse to put that record at risk and close the door on our economic future for the sake of a dramatic tax cut. Now is not the

time to stop teaching and learning. Now is the time to build on our success, and invest in our young people.

Today, I am increasing funding to B.C.'s elementary and secondary schools by $169 million — this government's 10th straight year of increased education funding.

I am increasing funding to B.C.'s elementary and secondary schools by $169 million.

This investment will allow our schools to meet our classroom size commitment: no more than 20 students in every kindergarten class, and no more than 22 in Grades 1 to 3.

This budget also means we can expand, renovate or replace 22 schools, and make improvements to an additional 190 this year. As well, schools that need seismic upgrading will have access to a $123-million fund over the next two years to make public facilities safer. Last week, B.C. hosted a meeting of North American seismic experts. And I'm proud to tell you they confirmed that British Columbia's approach is the right one.

Schools that need seismic upgrading will have access to a $123-million fund over the next two years.

This budget also funds three additional Career Technical Centres in the Northwest Region, the Okanagan and North Vancouver Island.

And this budget takes a visionary step forward in post-secondary education.

This year, instead of a sixth year of the tuition freeze, we are cutting tuition fees by five per cent.

We are cutting tuition fees by five per cent, and raising post-secondary funding by eight per cent.

We understand that this initiative must not come at the expense of quality. The tuition cut won't take a single dollar out of the system — because I'm raising post-secondary funding by eight per cent: an increase of more than $143 million.

That funding will mean more than 5,000 new student spaces in our universities and colleges. It will continue to support an expanded package of financial aid that's allowing B.C. students to graduate with some of the lowest debt loads in the country.

Honourable Speaker, the demand for skilled workers in Canada is growing. Sixty per cent of the jobs in the next 10 years will be in skills, trades and technology.

There are vacancies in B.C. already. I believe, and my government believes, that those B.C. positions should be filled by skilled B.C. workers.

B.C. plans to double the number of apprenticeship and skilled trades training spaces of the next four years to 50,000.

With this budget, B.C. will embark on a plan to double the number of apprenticeship and skilled trades training spaces over the next four years to 50,000.

That's 50,000 young British Columbians getting practical, hands-on training for rewarding, real-world careers. And that's our assurance that when the skills shortage hits — as we know it will — B.C. will be ready not just to ride it out, but to thrive and prosper.

The Premier set our sights high with his call to make B.C. a home of opportunity for everyone. But I know that with the talent, energy and determination of our young people — along with the support of a government that believes in them — it's a challenge we will meet.

Ensuring a fair and just B.C.

Honourable Speaker, it has been said that the quality of a society is judged by how it treats those citizens who most need help.

That's both a social and an economic imperative.

Social, because fairness is one of our defining values as Canadians and as British Columbians. And economic, because when we fail to use the talents and imagination of every member of our society, we sell ourselves short — and we all lose out.

Anyone who isn't prepared to address the needs of the least advantaged and the least fortunate simply isn't prepared to govern. Government must not walk away from its social responsibilities.

That was why we introduced the B.C. Family Bonus a few years ago — an innovative program to help low-income working families and reduce child poverty. That program has now became the model for all of Canada.

And it was why, in my last budget, I announced a ground-breaking new approach to providing parents with a safe, affordable child care option: before- and after-school child care.

We are now in the second year of the Premier's four-year program to increase the number of child care spaces in our province to 85,000 — double what it was in 1992.

In this budget, I have set aside an additional $45 million for Child Care BC. This expansion means the program will fund spaces for nearly 33,000 children in before- and after-school care — saving their parents up to $1,100 per child every year.

I have set aside an additional $45 million for Child Care BC, so 33,000 children will have access to before- and after-school care.

We are also offering a modest improvement to the combined BC Family Bonus and National Child Benefit Supplement. It will increase by $72 to $1,332 per child per year. And because we've raised income limits, more families will be able to receive the full amount of the benefit.

And we are putting a special focus on children living in poverty. That's why this budget sets aside an additional $3.5 million for our in-school meal program for children in need. It's a first step in meeting the Premier's commitment to double that program in four years.

We are increasing funding by $27 million, one-half of which has been provided by the federal government for early childhood intervention initiatives, so we can address minor problems in children's lives before they become major. Roughly half of this amount will help Aboriginal children, both on and off reserve, to have a better start in life.

This budget also includes additional funding of $60 million to assist British Columbians living with disabilities. This means more people with disabilities will receive benefits.

This budget also includes additional funding of $60 million to assist British Columbians living with disabilities.

Honourable Speaker, I believe one of the great things about this province is our commitment to a society where we can all make a contribution — and where we all have opportunities to succeed and prosper. This budget moves us closer than ever toward achieving that goal.

Delivering public health care

Our highest priority is health care.

Our public health care system has long been one of the best things about being Canadian. I know that from difficult personal experience.

I was 21 years old, a student in the United States, newly married and trying to get a solid start in life. One night, I doubled over in pain and had to be rushed to the hospital.

It was acute appendicitis. I had emergency surgery. There were complications, and I spent three weeks in hospital. But I was young, and I recovered fairly quickly from the surgery.

But what I didn't recover from, for a long time, was the hospital bill. It nearly bankrupted Hazel and me, just as we were starting out. I almost had to abandon my education.

It's all too easy to find many Americans who can tell you similar stories. Today more than 40 million of them lack any sort of health insurance. But it doesn't happen in Canada. Not any more. Not since Medicare.

That's why it's critical to make the choices that improve our publicly-funded health care system, and don't put us on the slide — intended or otherwise — toward the American private health care model.

Our publicly-funded health care system is the most important service we have. But I know there are places where we have to do better.

Years of federal cuts, on top of rising costs for new treatments and prescription drugs, have taken a serious toll.

Not just in B.C. health care is under stress right across Canada.

Even though we've increased health spending every year since we were elected — by a total of $3.8 billion — we haven't been able to keep up with growing needs.

This budget devotes 52 per cent of new program spending to meeting the needs of patients by funding doctors, nurses, hospitals and services in our public health care system.

Nothing is more important to this government than improving health care. That's why no priority is higher in this budget. This budget devotes 52 per cent of new program spending to meeting the needs of patients — to funding doctors, nurses, hospitals and services in our public health care system.

This year, our government will increase funding to health care in B.C. by $959 million. That's nearly a billion dollars of new health investment in this province.

I want British Columbians to know that more than two-thirds of this increase is dedicated to regional programs. That's $681 million for services including:

- new continuing care beds in Port Hardy and Keremeos,
- home support services in the North Okanagan,
- funds to operate a new MRI machine in Prince George and a CT scanner in the Comox Valley,
- more cardiac care in Kelowna,
- more renal dialysis in Victoria,
- and more cancer treatment on Vancouver Island.

Good, reliable, public health care is part of being a British Columbian. And that holds true no matter where you live in this province.

And Mr. Speaker, this budget funds the largest capital investment in health care in the history of British Columbia: more than $1.6 billion over the next four years. That will mean new and expanded hospitals, a new cancer agency in the Fraser Valley, and more facilities in communities across B.C.

This budget funds the largest capital investment in health care in the history of B.C.: more than $1.6 billion over the next four years.

These are the choices this government has made. And that's why broad-based dramatic tax cuts are the wrong direction for British Columbia.

The past year has seen real progress on health care.

Last spring, the Premier went to work with the other provinces to convince Ottawa to restore some of the funding that had been cut. That effort has produced results.

In September, we put that money directly into hospitals and medical equipment. And in December, we launched the Health Action Plan to train and hire more nurses, buy critical equipment and provide more community and long-term care. All told, we invested $130 million from the federal government for equipment and added $370 million from the provincial surplus this year.

Now, with the resources this budget makes available, we can make continued progress toward the level of quality and service that every British Columbian deserves.

Let me be clear. If we do not do this, if we fail to invest the funds that health care needs, then we will open the back door to U.S.-style

private care. Honourable Speaker, as long as we sit on this side of the House, that will never happen in British Columbia.

Our very first priority must be to solve the nursing shortage. Every province in Canada is facing it, but that's no excuse. We have to act, and act now.

The Health Action Plan includes a strategy to attract more British Columbians to the nursing profession, educate and retain more of the nurses who are already on the job, and bring in more nurses from elsewhere.

This budget will provide the funds necessary to meet those commitments — and, Honourable Speaker, to pay nurses what they're worth.

In this year's budget we funded 400 new post-secondary spaces for training nurses. We've delivered on that commitment — and now we're going further.

We will create a further 400 student spaces for nurses.

Next year we will create a further 400 student spaces for nurses. In addition, funding of $12 million will increase the number of nurses working in B.C., help us educate and retain existing nurses, and expand their career options. That's a direct boost to frontline care in communities across B.C.

We will provide $12 million to increase the number of nurses, educate and retain existing nurses, and expand career options.

Families in those communities also deserve to have doctors ready and willing to help them if the need arises. It doesn't matter if you live in Cranbrook, Kitimat or Kamloops.

I know as you do that doctors, especially in the Interior and the North, where I live, are looking for more compensation.

This budget funds the Health Action Plan commitment to B.C. doctors

This budget funds the Health Action Plan commitment to B.C. doctors. And that includes doctors in B.C.'s rural and remote communities.

Not only does the plan offer incentives to attract and keep doctors in these communities; it also creates new residencies for physicians and other health care professionals. Our goal is more doctors with more skills helping more B.C. families.

Nurses and doctors aren't the only health care providers we need to consider. B.C.'s health care system relies on dedicated, caring people

at all levels. And I challenge the members opposite to recognize that those contributions include everyone — from orderlies to specialists and, yes, to housekeeping staff and toilet cleaners.

We designed the Health Action Plan to address bottlenecks within the system that can delay care. This budget provides $2.8 million for additional intensive care and critical care beds, as well as $8.9 million for transitional or flex beds in acute care.

And this budget makes a further investment of $70 million to continue our program of renewing and purchasing vital diagnostic and treatment equipment.

This budget makes a further investment of $70 million to continue renewing and purchasing vital diagnostic and treatment equipment.

But there's more to the Health Action Plan than increasing resources. It's also about making every health care dollar go farther and do more.

That means preventing illness and injury whenever possible. To that end, this budget provides $2.2 million for increased vaccination and immunization.

And it funds our innovative new BC HealthGuide program — including the NurseLine and online services — giving people the information they need to make informed decisions about their health.

It also means enhancing home support and nursing for the elderly, the chronically ill and the disabled. This budget provides a 10-per-cent increase in home support and nursing. That means $39 million more to help British Columbians live independently in their own communities, surrounded by the people who love them.

This budget provides a 10-per-cent increase in home support and nursing.

And, it increases funding for enhanced palliative home care by $2.9 million — helping those whose illnesses cannot be cured live in comfort and dignity.

We are investing as well in health knowledge, with the creation of the Dr. Michael Smith Foundation for Health Research. Our investment of $110 million from the 2000-2001 surplus will enhance the cutting-edge medical research being conducted here in B.C., attract more of the brightest research minds in the world — and help qualify B.C. for a greater share of federal research dollars.

Access to therapeutic abortion services and new developments in reproductive health will be funded in this budget and every future budget this government brings before this House.

Let me make something else very clear. Access to health services in B.C. means access to a complete range of services — and that includes access to therapeutic abortion services for women who choose to use them. It also includes new developments in reproductive health, such as the morning-after pill.

We must never go back to the days when politicians used public policy to impose their private views on the women of this province.

Those services must be safeguarded, must be expanded, and will be funded in this budget and every future budget this government has the privilege to bring before this House.

Honourable Speaker, I want to address another area where there's a growing need for services.

This budget increases funding for B.C.'s Mental Health Plan to $31.5 million.

This budget increases funding for B.C's Mental Health Plan to $31.5 million. That's more than triple last year's investment. And it will mean real and immediate improvements in the level of mental health care in communities throughout B.C.

Mr. Speaker, this budget puts more nurses, more doctors, more beds, more equipment and more services in B.C.'s hospitals and communities. It respects the differing needs of our regions. And it reaffirms that in B.C., we're strengthening public health care — not sliding toward an American-style two-tier system.

Our Premier has put it best: as long as we have any say about it, B.C. will never have a health system that checks your credit rating before checking your pulse. And that means improving public health care instead of making reckless tax cuts. Honourable Speaker, that is our choice in this budget.

B.C. in the new economy

The province we live in today is a strong one — moving forward and growing steadily. Our economy performed well last year, and while the slowing economy in the U.S. will affect us, we're poised to do well in the coming year, too.

Mr. Speaker, I believe government has a responsibility to meet the needs of a growing, innovative economy — and to support con-

tinued prosperity and opportunity for every British Columbian, no matter who you are or where in B.C. you call home.

- **Education and training**

Ensuring a skilled, creative workforce demands our continued investment in British Columbians.

The commitments in this budget to education and training — along with the investments we have already made — will provide world-class skills and education opportunities to British Columbians. And they'll build on our impressive strengths in emerging technologies.

Commitment in this budget to education and training will provide world-class skills and education opportunities to British Columbians.

- **A fair and equitable B.C.**

We must also ensure that all British Columbians have an opportunity to participate in and benefit from our economy.

This budget's commitments to expanded and improved child care, to support for families through the B.C. Family Bonus, and to assistance to people living with disabilities mark our determination that no one should be left behind.

- **Public health care**

Canada's publicly-funded and publicly-run health care system is a competitive advantage to every business located within our borders.

This budget invests nearly $1 billion in additional funding to ensure that communities across our province can offer high quality health services to the workers who live there.

This budget invests nearly $1 billion in additional funding to ensure communities can offer high quality health services to workers who live there.

- **Competitive electricity prices**

British Columbians have, for the past seven years, enjoyed stable prices for our electricity. These prices are the third-lowest in North America, and they offer an important competitive edge for our industries.

Our government is committed to maintaining that advantage, so that businesses in B.C. never face the kind of crisis currently affecting companies in Alberta and California. Only by maintaining our strong public utility — and rejecting both privatization and deregulation — can we ensure B.C. continues to have the power to grow.

Nor is this advantage limited to business. Our publicly-owned company shared its profits this year to help British Columbians deal with the cost of heating their homes. That allowed the B.C. government to invest $404 million to help British Columbians heat their homes — and help B.C. communities heat our schools and hospitals.

- **A commitment to sustainability**

Finding the balance between protecting our environmental heritage and addressing the needs of the working forest is critical, both to ensuring the health of our forests, and to reassuring our markets. Our forest industry faces tough competition.

Good environmental policy is good economic policy.

The Forest Practices Code is an environmental warranty that we offer to our customers. Gut it, and you gut our forest industry as well. Keep it strong, and we hold onto those markets. We build customer confidence. And we ensure our forests are producing timber and creating jobs forever.

There are more economic benefits to protecting our environment. It gives us new opportunities in the emerging field of environmental technologies. Our world-class parks and wilderness areas have become prime tourist destinations — attracting not only visitors, but high-tech workers and employers who stay and put down roots.

Good environmental policy is good economic policy. And this budget is firmly grounded in the value of sustainability.

- **Securing economic certainty around our land base**

Securing economic certainty around our land base involves the historic question of settling the claims of B.C.'s First Nations.

This is fundamentally a matter of justice. But it is also vital to the future of our regional and resource economies.

An independent accounting has calculated that unsettled land claims create enough uncertainty to cost up to one billion dollars in lost investment and jobs. That billion-dollar shadow — cast by the risk of confrontation and division — darkens the future of communities in every part of our province.

Fair, balanced land claim agreements can lift that shadow. They can offer the kind of certainty that encourages investment for the future. They can bring opportunities for growth and self-reliance to Aboriginal and non-Aboriginal communities alike.

Fair, balanced land claim agreements offer certainty that encourages investment.

And they mean that the tax dollars that British Columbians have contributed to our federal government can, at long last, come back to our province — to be reinvested in our regions and communities.

- **Quality of life**

Finally, we come to our quality of life — which has long been a source of real pride to British Columbians. It's also a source of real economic strength.

Healthy, safe, vibrant communities are places where talented workers want to live and raise children. They're places where employers want to invest and locate.

We build those communities with hospitals and schools. We build them with safe drinking water — and this budget funds legislation to ensure a safe, healthy supply of drinking water throughout our province.

We build those communities with physical infrastructure. And this budget funds B.C.'s share of the $800-million infrastructure program we recently announced in partnership with Ottawa and municipalities, to build everything from roads to water treatment facilities — with the focus on green infrastructure.

This budget funds B.C.'s share of the $800-million infrastructure program with Ottawa, with the focus on green infrastructure.

In the new economy, we also build those communities with digital infrastructure — including the $1.4-million initiative in this budget to improve public access to the Internet in rural B.C. through the Provincial Learning Network.

And we build those communities with environmental infrastructure — like the $10 million this budget invests to upgrade trails, roads and campsites in B.C.'s parks.

Mr. Speaker, this budget — like this government — takes a comprehensive view of a modern, dynamic economy. We choose to see the big picture, in all its dimensions, instead of the narrow view that sees dramatic tax cuts as the only priority.

That narrow view would see the chaos of deregulation and privatization. It would see quality education restricted to those who can

afford to buy it. It would see our markets vanish as we gut the environmental guarantees our customers are seeking.

It would see regional economies adrift in turmoil and division as land claims go unresolved. And it would see our quality of life sacrificed and eroded as investments in our communities are neglected.

Our government has made a different choice — a better choice — a choice for today's families.

Conclusion — A clear vision for today's families

Honourable Speaker, this budget presents a clear vision — a vision of a province British Columbians have told me they want to live in.

It's a province where our air and water are clean and our forests are healthy.

It's a province of mountains and valleys so beautiful they take your breath away even after you've seen them a thousand times.

It's a province of diversity, a growing place of opportunity and hope.

It's a province of compassion, that cares for its least fortunate and protects the vulnerable.

It's a province of the future: modern, forward-looking and confident.

This is our British Columbia.

Honourable Speaker, members of the House,

We've balanced the books — last year, this year, and next year.

We've kept personal income taxes among the lowest in Canada.

We've put new resources into health care as our top priority.

We're making B.C. the education province and cutting tuition.

And we're making social justice for all an important part of the social fabric of this province — a province of diversity, opportunity and community.

I'm proud, Honourable Speaker, to table the 2001-2002 budget — a budget for today's families.